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REGIONAL TARGETING OF THE RUSSIAN ECONOMIC POLICY: AN INSTITUTION FOR SPATIAL PLANNING OF TERRITORIES¹

“We need to view the conditions and circumstances
of each community as the position of lands,
space of regions and condition of people.”

Vladimir Tatishchev²

This article aims at assessing the state of Russian economy amid lower energy prices and the “exchange of sanctions” and identifying the priorities for Russian economic policy as a universal institution capable to support the stability and systemic character of development. It proposes to use the optimization of inter-budgetary relations in Municipality—Region—Federal Center system in order to initiate the process of spatial development of Russian territories by involving the regional and municipal capabilities in the development processes. All Russian citizens are recommended to adopt a more rigorous and responsible attitude towards the Constitution as the Basic Law, which received support from people and defines strategic priorities for the long-term development of Russia. The article provides a rationale for the methodology of optimizing the inter-budgetary relations between the Federation, its subjects and municipalities through a science-based division of powers and responsibilities for the socio-economic outcomes at each level. It proposes to involve the experts and the public in the development of a national plan for socio-economic and social development, the main priorities of which should be the improvement in the quality and effectiveness of public administration and spatial development of Russian territories. The author makes the case for the mechanisms and institutions that can connect the regions and territories to the implementation of such national plan. The conclusions and recommendations proposed in this article can be used by the federal authorities when drafting and adopting the laws and other regulatory acts on the distribution of powers and optimization of the budgetary process. They can also be used by regional and municipal authorities when planning and designing the spatial development of their territories.

Keywords: economic policy, priorities of economic policy, Russian Constitution, methodological basis of economic policy, National Plan of Social Development of the Russian Federation, National Plan of Spatial Development of Russian Territories

Does Russian public have any interest in science-based and socially-oriented economic policy?

From the second half of 2014, the socio-economic and social development of the Russian Federation came under the impact of a number of internal and external processes, which negatively affected the economic stability and the quality of life of Russian people. The visible deterioration of macroeconomic indicators following a sharp decline in world prices for oil and oil products, the imposition of international sanctions against Russia and additional budgetary burden associated with the accession of Crimea and events in Ukraine have severely exacerbated the internal problems of the Russian society. The most worrying for the public is the lingering indifference of Russian leaders to proposals on a number of issues, such as:

- Active economic restructuring;
- Transition of the economy to intensive (innovative) sources of development in order to ensure a systemic re-industrialization, improve the quality and effectiveness in the state regulation of socio-economic and social processes, spatial development of Russian territories;

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² Tatishchev, V. (1997). *Istoriya Rossiyskaya s samykh drevnikh vremen* [Russian history dating back to the most ancient times]. *Antologiya mirovoy politicheskoy mysli: v 5-ti tomakh*, T. 3. [Anthology of the world political thought: in 5 volumes. Volume 3]. Moscow: Mysl Publ.

— Enhancing the role of public opinion as the most effective institution for monitoring the quality of administrative decisions taken by the public authorities, and some other equally important issues.

It would be wrong to claim that the Russian authorities are not taking any measures to stabilize the situation. They have adopted several federal laws that were proposed a long time ago, such as the laws on the state strategic planning in the Russian Federation and on industrial policy in the Russian Federation. Many experts view this fact as the first step in the elaboration of a long-term state economic policy of the Russian Federation for a strategic perspective. But there is still no economic policy in the form of a long-term program of science-based and socially-oriented nature approved at the level of the Russian President, Government, regional and municipal authorities, business and the public. There is even no discussion on the need to elaborate it. This fact allows some researchers to believe that the Russian Federation has no economic policy at all [1] and that “there is no coherent social policy in the state that proclaimed itself as being social” [2, p. 628]. Scholars and practitioners voice serious complaints about the agri-food policy [2, p. 145–150; p. 204–209]. Such complaints could be voiced about other areas of public policy (spatial, regional, infrastructure, investment and other.)

The report of the World Economic Forum (WEF) on global risks contained a special section on Building National Resilience to Global Risks (2013). In its preface, Lee Howell, Managing Director of Risk Response Network at WEF, named the national resilience to global risks as an issue that runs through the entire report. In his opinion, this “seems obvious when contemplating the external nature of global risks because they are beyond any organization’s or nation’s capacity to manage or mitigate on their own. And yet global risks are often diminished, or even ignored, in current enterprise risk management.” (cit. ex [11, p. 48].) As if it was stated specifically for the Russian authorities!

There is an opinion that the lack of policy is a special form of policy [5, p. 13]. But that would be already a different policy model. To figure this out, let’s try to define the notion of “economic policy.” Most Soviet, and indeed Russian, but also often foreign researchers consider the politics as a concentrated expression of socio-economic needs of the society, carried by the majority of people (or dominant part of population), which is in line with the definition of politics made by V.I. Lenin who called it “a concentrated expression of economics” [4, p. 171].

Let’s ask ourselves a question, whether the Russian Federation needs a state economic policy, let alone a long-term policy that would cover the sectoral (typological) and spatial (regional) development? The answers to this question may be varied and fairly reasoned. But, in our opinion, the majority of the Russian people will undoubtedly support the need for elaboration, public discussion and adoption of the economic policy of the Russian Federation as a long-term political and economic program of consolidated actions by all branches of government, political parties and institutions of civil society, businesses and the Russian public. In his article *New Reality: Russia and Global Challenges*, Dmitry Medvedev, the Russian Prime Minister, admits that, today, the Russian society faces complex tasks that are, in many respects, fundamentally new not only for Russia but also for the entire world community and require to update the national and external economic policies. On the one hand, “the old problems and circumstances arise in a new guise. But, at the same time, there are entirely new circumstances, which appear often in the old form. Today, as in the past, there is an intertwining of factors that can be controlled and those that are beyond our control. It is important not to confuse them and not to retreat in face of external circumstances” [3, p. 6]. However, the solutions to these problems should come not from behind the scenes by taking into account only the views of authorities’ entourage, but by relying on public opinion and joint will of the majority of Russian people.

On the other hand, “... the problem is not only and simply to overcome the difficulties, crisis developments, deficits and imbalances that appear today or are already chronic. Despite the importance of this work and all current difficult circumstances, it is necessary to formulate the strategic goals and objectives that we must achieve in the end. Or to spell them clearly, if you will. This should be done, even if the goal seems to be very remote and the solution looks very complex. This goal though can be formulated rather simply—to enter into (one would say ‘to break into’ but, in this case, the use of military terminology would be hardly appropriate) the group of countries with the highest standard of well-being” [4, p. 6]. If we use the assessments of Lee Kuan Yew, whose efforts allowed the city-state of Singapore to move from third world to first, such transformations are possible only amid structural crisis and with a high level of public trust in the authorities and the confidence that the reforms are implemented professionally and improve the lives of the majority of people. The high level of public confidence in the authorities and their reforms can be and, in fact, is based on whether these

authorities can provide the “image of the future society,” the qualitative characteristics of which meet the needs of most people in the country and not only those of its restricted part [5, p. 18–22]. Only such environment can increase the activity of people and society in the development and implementation of both technological and institutional innovation.

According to Dmitry Medvedev, the latter is especially important, since the experience of the 20th century, as well as the practice of the 21st century, demonstrate with implacable persuasiveness that, in order to achieve the leading positions in the world in an optimally short period, a country should be ready (in terms of its resources, human potential, organization, politics) to seamlessly blend the implementation of new technology and relevant institutions. “You can call this a Marxist approach, observes the Russian Prime Minister, a correspondence between the relations of production and the productive forces. But it is confirmed by the practice and experience of countries—ranging from Germany, Japan and the Soviet Union to Finland, South Korea and Singapore—that managed to escape their underdevelopment” [3, p. 9].

However, this approach is really Marxist because the mentioned countries, to which we can add China, Vietnam, India and some other nations, are developing by strictly following the objective laws of development of national systems, the foundation of which remains the law of correspondence between production relations and the character and level of development of the productive forces. The logic of this law has no alternative and requires the leading development of real sector, especially domestic high-tech industries and agri-industrial complex, production infrastructure and the entire social sector, a civilized spatial development of Russia (including production, infrastructure and social development), but not the closure of health care facilities, schools, cultural centers, reduction of transport links (which must support the highly effective operation of productive forces and competitive promotion of domestic products on national and world markets), it requires not to restrict the capabilities of education, health care, academic and university science by various arbitrary reforms supposedly aimed at improving their efficiency but, in reality, resulting in cuts in their budgetary funding and increased bureaucracy in the evaluation of their effectiveness.

The countries mentioned above have implemented an economic breakthrough from the third world to “the first” only because they strictly followed the Marxist law of priority development of the productive forces of society on a sustainable and increasingly efficient basis, where the production relations can and should function in a sustainable and increasingly efficient way in all the diversity of their manifestations. This is the truth that is hard to challenge and refute. But it can be manipulated, including through the economic policy of the government, which has been and continues to be done by the Russian authorities. Against the opinion of people, a decision was imposed to “dissolve the Soviet Union.” With a script written by IMF and under the instructions of US advisers, the recommendations of Washington consensus have been implemented, including shock privatization and mass pauperization of the majority of Russian people. It seems that the Russian authorities continue to remain under hypnosis of their naive belief in the assumption that national problems can be resolved by creating the International Financial Center in Moscow and developing financial services! And ... by keeping the same government and the management of the Bank of Russia because they are “highly professional.” Indeed, blessed is he who believes! Without a continuous and pinpointed renewal of the team in the government (the Bank of Russia), there can be no sustainable and systemic development. This is a truism for any professional manager, unless he steers the development to other goals that are far from the public interest and the needs of the Russian people.

In the economic literature, a detailed and thorough analysis of the article published by the Russian Prime Minister Dmitry Medvedev is made [9, p. 3–49; 27, p. 63–78; 31]. Let’s pay attention to some controversial problems in the analyzed article.

Most Russian and foreign economists believe that a steadily progressive and systemic development of any society can be achieved, first, based on the progressively advancing development of productive forces, their continuous and systemic development and renewal (technological, structural, technical, location-based); second, with timely provision of developing productive forces by renewed production, financial and credit relations and institutions, organizational and structural changes (sectoral, spatial, social, distribution-based, research and educational, organizational and management, human resource-based, motivational); third, through the formation by the state of political, organizational, legal and macroeconomic conditions, that correspond to systemic and sustainable development and help to mobilize the majority of people to actively and creatively participate in these processes.

The history knows two real ways to engage people in implementing the reforms and transformations: coercive administration (Soviet Union in 1920–30s) and democratic approach based on political and economic persuasion of people and business community to recognize the need for active participation in the transformations launched by the government authorities (Singapore, South Korea, etc.) Both in the first and the second variants, it is the state that initiates the development of productive forces as a priority area of public economic policy, but it uses different ways to mobilize the people to implement it and achieve the “vision of society.” For the authorities and people in the Soviet Union, such motivation was the abstract vision of industrial socialism and no less abstract vision of communism; for the authorities and people of Singapore, it was the vision of public order and a decent standard of living.

The main resource of economic policy and the key to its successful implementation has been and continues to be the reliance on systemic nation-wide support based on the firm belief in the ability to achieve its final results and meet the interests (in full or in part) of all involved in its implementation. In our opinion, the second most important resource of economic policy should be the high level of professionalism and competence of the ideologues and those who implement the economic policy in general and in its key areas. When it comes to this resource (as well as to the first one), the Russian authorities display rather a lack of clarity than the common sense understanding of the situation and ways to redress it in a professional way.

Defining the politics as “a concentrated expression of economics” implies, on the one hand, conscious participation of the people, business community and government authorities of all levels with the maximum mobilization of means, resources and capabilities for consistent implementation of economic policy elaborated with the participation of people and all stakeholders among government, market and civil society organizations, that will allow the country to go to new frontiers of economic, social and political progress, and build a new and higher quality of life for all segments of the population. On the other hand, it implies the ability to prove with real deeds and positive outcomes the reality and social benefits of the full-fledged (from the standpoint of public importance, social orientation market-based cost effectiveness) implementation of priorities established by the state economic policy at all levels of social fabric for all participants.

Many authors, politicians and public figures try to assess the public (federal) economic policy of the Russian Federation. Quite often, instead of assessing the policy, they describe the growing external and internal threats to the Russian Federation, which have a negative impact on the implementation of its priorities. For example, in its final document, the St. Petersburg International Economic Forum recommended to elaborate and more actively use a set of measures to overcome “the imbalance of economic and demographic development, one of the main threats to the effective development of the Russian economy” [14, p. 125]. No doubt, this problem deserves a solution, but it is only one of the main problems and not the most important issue.

It is proposed “to create a new model of economic growth” (A. Kudrin, E. Gurvich) that can turn the “oil and gas windfall into domestic demand and ... stimulate the production, revenue growth by creating incentives for the labor activity and reforming the structure of the economy” [19, p. 69]. There are also suggestions (H. Gref) to establish under the government authority a “change management center,” aimed at designing the reforms needed in Russia and optimize the administrative structures of the state. It’s been finally recognized that is necessary to substantially cut the government spending, which now accounts for 40 % of GDP, of which the share of state apparatus is more than 32 % or 2.5 times higher than in the USA (13 %), 3 times higher than in Germany (11.0 %), and 4 times higher than in the UK (10 %). According to calculations, the underdeveloped system of competition in the Russian economy aggravates the annual losses of GDP by 2.5 % and, for Russian Railways and Gazprom, by 1.2 % [20, p. 69].

In the previously mentioned article, the Russian Prime Minister Dmitry Medvedev notes that a particular feature of our times is “the formation of new priorities, new challenges and new approaches to addressing the problems faced by Russia and other countries,” and that the ultimate goal of resolving these problems is to enter “into the group of countries with the highest standard of well-being” [3, p. 5, 6].

In arguing with the Prime Minister, S.S. Gubanov suggests two specific solutions for the problems faced by Russia. First, he views “a social contract between Kremlin and industrial capital as a pressing need that is in the strategic interests of Russia,” because only this option allows to get rid of the compromise, for which we have to pay with falling living standards and relapse of mass extinction of

our people.” Second, he considers it appropriate to “organize the elaboration of a long-term strategy for new industrialization of Russia,” in which he proposes to involve “all academic community of economic science and not only the proponents of neo-industrialist paradigm and views” [9, p. 47]. In our opinion, a long-term strategy for the new industrialization of Russia developed by experts and supported by the people (through a poll or referendum) could become not only a strategic project for implementing the economic policy at the federal, regional and municipal levels, in public and private companies, that would involve all Russian people, when it comes to take into account the local characteristics. The strategy could consolidate the society around the idea of the sustainable and systemic development of the country, the result of which should be the improved standard of well-being for all Russian people. The innovative and labor activity of the people will increase, if it is motivated and encouraged. This will strengthen the control over the government authorities, because the well-being of people will always and everywhere depend on the successful implementation of economic policy and a fair distribution of its results.

For the Russian authorities, the next task is to select the priority area of socio-economic and spatial development

Defining the priorities for the economic policy of the Russian Federation is a difficult and responsible task that requires not only a high level of professionalism on the part of its developers and experts, but also active public involvement in its discussion and adoption. This is so, because yet another mistake in the choice of priorities for the social development may limit the opportunities for economic growth and improvement in the well-being of people through systemic use of all sources, opportunities and resources available in Russia.

It is extremely important to objectively and professionally assess the external risks (real and potential), and domestic constraints in order to proactively develop a diagnostic tool set that would allow to timely identify, objectively assess and effectively manage the processes of national and regional stability. This proposal is especially relevant today amid the “sanction hype” where even a slight miscalculation in assessing the implications turns into the inevitable deterioration of the economic, social and political positions for the society.

The increasing relevance of this proposal can be seen in the fact that an unprofessionally prepared economic policy (or its separate areas) imposed on the public would be too costly for the society and especially for the people. For example, “improving the quality of industrial policy by around 10 % will lead to the GDP growth by 3 %, mainly, due to the accelerated development of manufacturing and, to a lesser extent, extractive industries” [8, p. 61]. According to various estimates, a high-quality regional policy for the spatial development of the Russian Federation could not only ensure a higher rate of GDP growth, but also minimize the increasing regions inequality across the majority of assessed indicators [15, 16].

In one of his last appearances at the Mercury Club, Yevgeny Primakov identified and substantiated several political, social, economic, organizational and administrative issues that are of fundamental importance for the sustainable and systemic development of the Russian Federation and require a professional and rapid solution. In his opinion, it is necessary to pay the most serious attention to raising the status of regions and municipalities in socio-economic and social development by turning them into the engines of spatial development of Russia that take into account specific characteristics of their economic structure, socio-cultural and national traditions. According to Ye. Primakov, this makes it imperative, on the one hand, to review and optimize the allocation of powers between the Federation, regions and municipalities by providing them with relevant tax and other revenues; the national practice shows that the constant violation of this rule leads to the increase in their accounts payable and restricts the ability to exercise the powers delegated by higher level authorities. On the other hand, it is necessary to review the current practice of excessively centralized tax proceeds and return to the practice of 1990s when, in accordance with the adopted and still valid federal law, the tax revenues were allocated in the proportion of no less 50 % going to the regions and municipalities, and the rest going to the federal needs and support of depressed territories³.

³ Primakov, Ye. M. (2015, May 25). Vazhneyashaya problema ekonomiki. Vystuplenie na zasedanii “Merkuriy kluba” [The most important issue for the economy. Speech at the meeting of Mercury Club [Vazhneyashaya problema ekonomiki. Vystuplenie na zasedanii “Merkuriy kluba”]. Rossiyskaya Gazeta [Russian newspaper], 112, 10.

At the international scientific and practical conference *The Russian Regions in the Focus of Change* (Yekaterinburg), N.V. Zubarevich noted the growing problems in the sustainable development of the regions that require a priority solution. In her opinion, “the Russian regions have entered into the acute phase of a new crisis with unbalanced budgets and huge debts (75 regions have budget deficits)” and “cannot count on support from the federal budget” [17]. Many authors write about the increasing priority of raising the role of regions and municipalities in socio-economic and social development, spatial development of Russian regions. While visiting Sverdlovsk Region (November 25, 2015), the Russian President Vladimir Putin called on the heads of regions to use any means in order to substitute the imported goods by domestic products. To this end, the Russian President asked to establish the mass production of high-quality Russian products at an acceptable and economically reasonable price that can compete on an equal footing with foreign counterparts in domestic and external markets. Vladimir Putin said that “it is crucial to maintain the unified policy line and coordinate projects of import substitution by taking into account the needs of the country, priority objectives for the economic development and regional strengths” [17].

The regional leaders were asked to actively use new tools for implementing import substitution projects. The Industry Development Fund, which provides preferential loans for modernizing industrial enterprises and developing new high-tech industrial facilities, began its operations in 2015. 56 projects worth 19.2 billion rubles have already been approved and put into practice. This amount has been supplemented by about 140 billion rubles of private investment. The Russian Export Center, which started its operations in June 2015, is a “one-stop-shop” for financial and non-financial assistance to exporters. It already has under review more than 70 projects in the aviation and automotive industry, agriculture, nanotechnology and microelectronics [17]. The attention was also drawn to the problems that constrain the achievement of objectives set for the regions in the area of accelerated import substitution. According to the governor of Kaluga Region A. Artamonov, “the export-oriented economic growth cannot happen without favorable monetary and fiscal policies that meet the objectives of business development. Both large and small businesses currently face the tightening of borrowing terms by the banks” [17].

A. Borodin and N. Shash assert that the growing “regional differentiation of Russia in terms of socio-economic development continues to be one of the priority issues, which has not been resolved in the post-reform period” [12, p. 69]. Most experts on the regional economy believe that the gap in the development of Russian regions, which increases every year, impedes the implementation of a common economic policy for systemic and sustainable development of all entities operating in the national market economy and prevents the civilized development of the entire Russian space.

The reasons for increasing differentiation of regions (and municipalities) vary and often can be hardly classified in an objective way. Still, in our view, there are two causes that seriously strengthen these processes while undermining the stability and limiting the sources of socio-economic and social development of the Russian Federation.

The first is a result of excessive centralization of power, funds and resources at the federal level with the simultaneous over-regulation imposed on the activities of regional and municipal authorities. For example, according to the Constitution, the state owns the natural, land and forest resources. It would be logical to assume that the principal regulator and manager of these resources should be the Federation, which is required by law (in accordance with the Constitution and common sense) to delegate some of these powers to the regional and municipal levels by transferring under their operational management those resources that are not referred to the strategic category. It would be also logical that agricultural lands, public forests, mineral deposits of regional (municipal) importance should be under the jurisdiction of regional and municipal authorities. The proposed distribution of powers does not exclude but, on the contrary, implies that the Federation will elaborate a fundamental document on managing the public resources in the form of foundations (for subsoil use) or a code (of land, forest).

The expediency of proposed division of powers can be seen, on the one hand, in the optimal distribution of powers, resources and responsibilities for their rational and effective use in the interests of spatial development between the levels of government. A situation where more than 65 % of tax revenues are centralized in the federal budget, while the constitutional powers with regard to more than 90 % of all land, forest and natural resources are monopolized by federal authorities can hardly be considered as optimal. This leads to an increasingly higher extent of improper, criminal and shadow

use of public funds and resources, the critical scale of which reduces the revenue base for the budgets at all levels, limits their investment capabilities and, most importantly, limits the national GDP growth by prolonged non-use or shadow and even barbaric use of land and forest resources.

The second reason represents an extension of the first and can be described as the need if not to abandon the policy of leveling the budgetary provision to “lagging” regions, then at least to give them the budgetary support for fulfilling social (environmental, investment, scientific) obligations of federal importance, as well as for exploration and development, reconstruction and modernization of the sites that can ensure their sustainable self-development [15, p. 87–98]. It is dangerous to encourage the parasitism of regional and municipal entities by providing them with continuous and increasingly higher subsidies at the expense of federal taxes that come from other, more successful regions, which limits the investment capabilities of the latter and those of the Russian state as a whole. The danger of parasitism is that it develops in the recipients of subsidies a psychological habit to demand subsidies, instead of looking for ways to independently earn the funds for life and development. But this is only one side of the problem. The other, and no less dangerous, hides in the certainty of federal officials that dependence of certain regions on subsidies is an objective reality that has to be taken for granted and accounted for by using new corruption and personal enrichment schemes. In practice, this means not to assist the subsidized regions (by providing state contracts, loans, investment programs) in modernizing their economies (as the saying goes, “by teaching them how to fish”) and facilitate their mastering of sustainable self-development model, in which they cover their expenses with their own income, but year after year support their existence with the subsidies.

Designating the self-sufficiency and expanded reproduction of the Gross Regional Product as a priority for regional development will, no doubt, require some serious changes in the relations between the Federation, regions and municipalities, establishing a favorable investment and financial climate both for the regions and municipalities, as well as the participation of business, which today has no access (especially at the municipal level) to state investment or credit resources. However, the investments and available loans are the fuel for development; they must be available to all market entities that can address the socio-economic problems of social development. According to V.A. Kryukov, “the unavailability of financial resources encourages some companies that have ‘high-level negotiating positions’ and make ‘finished products’ to embed themselves into the state defense order system (and build some sort of ‘economic proving ground’), while the others ... have to rely on their own forces (notably, by trying to avoid any contact with financial and banking system)” [6, p. 4]. N. Zubarevich, A. Gusev, M. Yurevich, and others, in addition to the assessment of investment limits in socio-economic development of Russia proposed by V.A. Kryukov, mention the corruption of federal officials during the allocation of budgetary investment among the regions in the form of budgetary loans, grants and subsidies [16, 18].

At some point, the current practice begins to acquire a destructive nature, as the development is sharply limited by the growing production costs, increasing centralization of tax revenues and higher corruption during their allocation, lower competitiveness of market agents. But the problem is not limited to this. There is a growing regional inequality, the rise in their accounts payable, the lower motivation of sustainably developing regions to show initiative and enterprise spirit. There are also signs of regional inequality in terms of their provision with taxes, co-financing of regional and municipal development programs by the Federation (Table 1).

Table 1

The structure of revenues in the consolidated budget of the Russian Federation and the regions included in the regions of Greater Urals Association (2010–2014), %

Budget level	2010	2011	2012	2013	2014
Consolidated budget of the Russian Federation, including:	100	100	100	100	100
Federal budget	56.0	59.8	61.5	61.5	62.0
Regional budget	36.8	34.1	32.8	32.3	32.7
Municipal budget	7.2	6.1	5.7	6.2	5.3
Greater Urals regions including:	100	100	100	100	100
Transferred to the federal budget	64.1	68.7	70.4	71.8	71.9
Left in the regional budget	28.2	25.3	24.1	22.1	23.4
Credited to municipal budgets	7.6	6.0	5.5	6.1	4.7

Greater Urals Association includes 10 constituent entities of the Russian Federation: Republic of Bashkortostan, Udmurt Republic, Kurgan Region, Orenburg Region, Perm Krai, Sverdlovsk Region, Tyumen Region, Chelyabinsk Region, Khanty-Mansi Autonomous District, and Yamalo-Nenets Autonomous District.

As we can see in the table, the excessive centralization of revenues and resources at the federal level, including for the purposes of “leveling” the budgetary provision has an extremely negative impact on budget revenues in other regions, including those of Greater Urals. At first glance, the changes in the tax proceeds to the budgets of the Greater Urals regions correspond in general to the overall Russian trend of higher federal proceeds through the reduction of regional and municipal revenues. But at the same time, the policy of centralizing the tax revenues by the federal center is implemented, among other things, in order to limit the capabilities of successfully developing regions by making them dependent on federal transfers, subsidies and subventions. For example, following 2014, the share of regional and municipal tax revenues received by the Greater Urals regions was 28.1 % while its average value for the Russian Federation stood at 38.0 %. The practice of tax enslavement with regard to the regions and municipalities can be also seen within the Greater Urals Association, where one can observe significant differences in tax proceeds in the budgets of different levels (Table 2).

Table 2

The distribution of tax revenues between the budgets of different levels in the Greater Urals regions in 2014, %

Budget level	Federal	Regional	Municipal
Republic of Bashkortostan	43.5	47.4	9.1
Udmurt Republic	64.5	28.4	7.1
Orenburg Region	68.3	26.6	5.1
Perm Krai	54.9	35.6	9.5
Kurgan Region	25.1	58.0	16.9
Sverdlovsk Region	28.3	57.2	14.5
Tyumen Region	47.0	45.6	7.4
Chelyabinsk Region	31.8	53.5	14.7
Khanty-Mansi Autonomous District — Yugra	86.2	11.8	2.0
Yamalo-Nenets Autonomous District	80.6	17.4	2.0

The differences in the distribution of tax proceeds between the federal, regional and municipal budgets in the Greater Urals regions can be explained, on the one hand, by the dominance of mining in some regions (Khanty-Mansi Autonomous District and Yamalo-Nenets Autonomous District), the tax revenues from which (up to 90 %) go to the federal budget. On the other hand, the industrially-oriented regions (Kurgan, Sverdlovsk, Tyumen, and Chelyabinsk Regions) credit up to 70 % and more of their tax revenue to the consolidated budgets of regions. The Republic of Bashkortostan, Udmurt Republic, Orenburg Region and Perm Krai, where the production of oil and gas accounts for up to 30 % of their Gross Regional Product, have a special tax regime. In our view, this explains the higher rate of their tax revenue transfers to the federal budget for the federal needs and support of other regions.

How fair the existing distribution rates are for tax revenues of Greater Urals regions remains a fundamental question. If we take as our evaluation criterion the capabilities of self-development of regions, that is, their ability to cover their running costs by their tax revenues and have funds for expanding (renewing, investing in) the production, then one can, unfortunately, give only a negative answer to this question. There is no doubt that the excessive centralization of tax revenues at the federal level does not allow for such capabilities. The solution appears to be in the active development of self-development institutions in the regions and municipalities (at least in the big ones), and professional renewal of politico-economic and macro-economic environment of their operation.

Self-development institutions of regions and municipalities: a condition for systemic development of the Russian space

In recent years, the issues of development in the systems of different levels have been attracting an increasing attention of researchers and practitioners. Such system characteristics as self-organization (self-organizing systems), self-regulation (self-regulating systems) and self-development

(self-developing systems) have gained a widespread recognition. The concept of “reproducible system” is used for the natural and biological systems, the concept of “automated system” is used for technical systems and other concepts can be used depending on characteristics displayed by these systems at different levels. The objective of our study is more modest, as it aims to show the capabilities of self-development in socio-economic systems as a real and socially important institution for the spatial development of Russian space. What forms the basis of our proposals? There are several fairly elaborated arguments.

First: The self-development of socio-economic systems that ensure simple or expanded reproduction of the Gross National Product of a country (enterprise, company, firms, small or medium-sized business, etc.) has been proved theoretically and confirmed by many years of practice. Self-developing systems also include national socio-economic systems, regions in the countries with a confederal form of government (Switzerland), as well as regions (states, lands) in the federal states (USA, Germany, Canada) when the federation creates appropriate conditions for sustainable self-development of the subjects of the federation. In a market economic system, the territorial authorities inevitably turn into market agents and, in essence, into corporations designed, on the one hand, to provide for the public needs of people and commercial entities with the works, services and other public benefits and, on the other hand, to exercise these obligations and powers based on their cost effectiveness by introducing, to a limited extent, payment for provision of public benefits and services to people and businesses, by expanding the revenue base of the region through development of production capabilities, by facilitating the development of small and medium-sized businesses, and by increasing the employment of the population [24].

The reviewed practice of self-development in commercial, national, regional and a part of municipal (primarily, in the large cities) systems allows to assert that each system with the appropriately established organization (self-organized, self-regulating and self-managed) has the capacity for self-development, simple or expanded reproduction of its systemic essence. In biological systems, the inherent capacity is reproduced in a natural way, while in socio-economic systems, it requires an active involvement of people in order to ensure that the system capacity starts to operate in the interest of system development and creation of the public good.

Second. Amid the dominance of market economic system, the self-sufficiency and self-development, as the economic categories, inevitably morph into the inherent properties of sustainable business success at all levels of social reproduction. In the initial stages of market economic system (simple commodity production, initial stage of capitalism), the self-development and self-sufficiency were emerging at the level of individual enterprises and commercial entities, in which the sustainable self-development and increasing returns (profitability) became the criteria of success and higher competitiveness. With the development of capitalist relations and formation of state monopoly capitalism, the state began to actively intervene in the reproduction processes by involving in the area of self-development and self-sufficiency (partial or complete) the organizations of social spheres, individual entities of state and municipal authorities providing paid services to the public and businesses. Of course, the expansion of state intervention in socio-economic processes is carried out not so much as a mere desire by state authorities but under the pressure from masses and with the consent of major state monopolistic and oligarchic entities seeking to partly shift to the state the burden of social expenditures in order to maintain stability and sustainability.

The expanded availability of social services (social benefits) to the public through their partial payment by state, municipal or private companies (through the transfer of powers) allowed to markedly expand the use of self-sufficiency institution in publicly important social spheres and areas of state and legal counseling for the public and businesses, especially small businesses [26 p. 5–13].

Third. The institution of self-sufficiency and self-development of regional and territorial systems is a universal institution that was sought after at all stages of social development. But the special relevance and fateful character of its consistent implementation can be felt in the market economy conditions, because the cost savings, self-sufficiency, innovative leadership and increasing returns are the key stages on the path of achieving sustainability and leadership in the competitive standoff with other market agents.

Some might argue that this rule holds true for the market agents but, by no means can be applied to the state and municipal entities. The question is more than relevant, especially for the Russian government (federal, regional and municipal) practice. The market system, both on theoretical and

practical levels, is a self-sufficient system based on some rather tough principles: the success comes only to those who spend less than earn, who are focused on innovation and create conditions for improving the professional and corporate skills of employees, who professionally prepare and implement the projects avoiding the cost and resource overruns, their theft and corruption. It is necessary to comply with these principles at all levels of the national economic system ranging from farmers and individual entrepreneurs to medium-sized and large companies (including state-owned companies), authorities at the municipal and regional levels, top officials and authorities at the federal level who, by virtue of their status and accordance with the taken oath, must focus themselves and their subordinates on implementing such decisions and projects that are cost-efficient and provide increasing returns. If this rule is ignored or observed only at the lower levels, the society loses its cohesion and consensus, and is compelled to live under different laws—most people live under the market laws by streamlining their needs according to their labor income; while other part lives in accordance with its position in the social hierarchy and the views established at the highest level of government on the state status, which allows the federal officials and lawmakers to live and act by unwritten rules and not by the laws of market system.

As evidenced by the extensive practice and results obtained by the Russian Accounts Chamber, this rule of the market economic system is not only disregarded, but publicly ignored in the implementation of numerous projects and administrative decisions. We have already analyzed and explained the reasons for administrative and regulatory decisions that cause irreparable damage to the socio-economic and entire social development of the Russian Federation [20, p. 2–7]. Many experts, who have a firsthand knowledge of conditions and consequences of systematic and deliberate disregard for not only the Russian Constitution but also for the objective laws of the market, speak and write about the state failure to use laws and rules of the market economic system. According to A.G. Aganbegyan, “in order to make a transition to the rapid economic growth, our leaders will need to demonstrate a genuine political will. This will require to dramatically expand the private sector, create a competitive environment, put constraints on state monopolies and oligarchs, stop the annual compulsory state increase of prices aimed at shifting the difficulties of state organizations on the people and other consumers. The policies of privatization must necessarily be associated with a policy to reduce the government spending, because Russia leads the world in terms of such spending (relative to GDP)” [7, p. 8–9].

Recognized by the world community as a country with the market economic system, the Russian Federation continues to increase unproductive expenses that are, in some way, unaffordable for its economy. If, in 1985, the expenses on state apparatus amounted to 0.8 % of the budget expenditures, in 2010, they increased to almost 14 % and continue to grow following the behind-the-scenes raising of salaries and pensions for lawmakers and officials at all levels. If the same 1985, there was one Soviet government official for every 115 citizens; in 2010, one official for 58 [20, p. 2–3]. Isn't that an impressive difference? It seems that there is someone who can be held accountable and responsible for what is going on. The desire to ask these questions becomes more and more compelling. For example, why the people's wallets are emptying with an increasing speed while the opportunities for successful development of small and medium-sized businesses are limited? According to V. Kostikov, a former Press Secretary of the Russian President Boris Yeltsin, in the last 12 years, the tariffs for gas in Russia increased by 10 times, for water supply—by 14 times, for utility services—by 15 times, for electricity—by 7 times. “The people, especially in the regions, are dissatisfied with the quality of education and health care. Russia ranks one of the lowest among the countries, in which international experts measured the quality of national health care system⁴.”

According to V.A. Kashin, State Councilor of tax service of 11th rank, Doctor of Economic Sciences, professor, Head of the Research Center for Economic Security of Russia at the Market Economy Institute of the Russian Academy of Sciences (Moscow), who is not a novice in dealing with these issues, “we have the tax burden on businesses that is the highest in the world. In this situation, many people simply close their businesses and move abroad, while others so far keep standing on two feet—one is in Russia, while the other is in Germany, or France, or Canada, etc. But, at any time, they can lift up their ‘Russian foot’ and also move it abroad” [21, p. 48]. In his opinion, first of all, “it is necessary to bring order to the budget expenditures and, in general, to state administration. We really have no need

⁴ Kostikov, V. (2014). Show me where the button is. We need to take a sober look at the situation in the country / *Argumenty i Fakty* newspaper. 2014. No. 40. p. 9.

in two branches of executive power (there is no prime minister in the USA), nor in two parliament chambers, or in three prosecutorial agencies ..., or in four tax services (Federal Tax Service, Federal Customs Service, Federal Treasury and extra-budgetary funds.) We cannot afford to keep a separate Ministry for Emergency Situations (in fact, all Russia is currently in an emergency situation), a special continuously operating 'Ministry of Elections'" [21, p. 5 3]. There is a proposal to stop "provide the apartments for officials at the expense of the budgets."

It is necessary to limit the expenditures of regions and municipalities that, while having budget deficits, provide their retiring officials with a "decent severance pay" and establish personal pensions and personal benefits at the expense of the same budget. All Russian regions, unlike the regions of other countries with the federal form of government, have their representative offices in the prestigious buildings in Moscow, a special apparatus and personal transport, which are maintained and serviced with the same budgetary funds that are in such a short supply for the development of social sphere and infrastructure, support for the entrepreneurship and investment in development.

Even the representatives of foreign countries are compelled to notice the excessively extravagant expenses of Russian authorities. At the St. Petersburg Economic Forum (2015), Tony Blair, the former British Prime Minister, said that, in order to reorganize the society, one needs a methodology of reforms, which is crucial for achieving the projected results. "You need to have the tools for implementing the reforms that will help to convey to people what you are doing, so that the nation follows you" [23, p. 19]. This idea was further elaborated by Lim Siong Guan (President of GIC Group, Singapore). He said that "the goals of government should reflect the needs of society as a whole and ... professionals must be engaged to achieve these goals [23, p. 20]. The participants in the Forum noted that, in order to return to the path of sustainable development, the Russian economy has to address a number of structural problems. However, the first step should be the reform of the government, which has to decide on selecting the course and work on the basis of trust to improve the business and investment climate. To this end, the Russian government is advised to decide on selecting the development model. The fact that it has not yet been done is regarded by foreign and Russian experts as one of the most serious shortcomings in the work of Russian political authorities.

To cover the increasing costs of public administration and irrational spending of budgetary funds, the authorities are compelled to frantically search for new forms of tax increases on businesses and the population. These taxes are centralized at the federal level, which brings the budget revenues in most regions and municipalities to chronically deficient state. The work of the Bank of Russia is also far from being perfect, as it deprives the population, small and medium-sized businesses of their savings and funds, intended for the development and innovative renewal of production facilities, by revoking the licenses from commercial banks. However, these licenses to commercial banks were issued by the same Bank of Russia who, hence, guaranteed to depositors and customers the safety of their assets, but did not monitor the situation and failed to preserve them. However, the responsibility for this negligence, or rather criminal negligence, in the management of banking activities has to be borne not by the government and the Bank of Russia, who have been entrusted by the Russian President, but by people and businesses.

With the connivance of the Bank of Russia, the banking system is virtually not engaged in lending either to businesses or the regions and municipalities. In the total banking sector assets of 77.7 trillion rubles, which equals 108.7 % of Russian GDP (71.4 trillion rubles), the innovative lending stands at slightly more than 1.5 % (1.1 trillion rubles) and their share in the amount of total investment is 9 % [7, p. 7–8].

Such anti-market political and economic and macro-economic conditions make it difficult to expect the sustainable self-development of regional and especially municipal systems and their transformation into active participants in the re-industrialization of the Russian economy and the spatial development of territories. According to the Institute of Economics of the Ural Branch of the Russian Academy of Sciences, in 2010, twenty Russian regions could be considered (albeit with caveats) as mastering the initial stage of self-development. However, at the beginning of 2016, this figure fell to 5–9. These include Moscow and Moscow Region, St. Petersburg and the Leningrad Region, Nenets Autonomous District. With certain assumptions, we can add to the above list the Republic of Tatarstan, Sverdlovsk Region and Omsk Region, Yamalo-Nenets Autonomous District. And that is all!

Transforming the institution of self-development and self-sufficiency of the majority of market systems into a decisive source of expanded reproduction of the total social product on a fundamentally

new technical, technological, organizational and administrative, scientific and educational basis is not an easy task, which cannot be addressed quickly and only with a few appeals. This requires consolidation of public opinion, people, businesses and all branches of government in order to develop, professionally discuss and adopt a national plan that gained the nationwide approval and is aimed at socio-economic and social development of the Russian Federation for the next 10–15 years with a breakdown by five-year periods and by years. Each planning period must be completed by achieving results (industrial, social, economic, political) that are important for the country and its people.

It is proposed to seamlessly embed the regional (municipal) plans into the national not by copying and duplicating its parameters (rates, priorities, institutions and mechanisms), but as the continuation and development of the national plan by elaborating the regional and municipal plans for its implementation at the appropriate levels of spatial system.

National plan and its role in the spatial development of Russian territories

The national plan should include 10–15 federal programs designed to reflect in a concentrated form the priorities for systemic development of the Russian Federation, its progressing to higher frontiers of technological and socio-economic development, quality of life and the spatial development of its territory. By the spatial development of Russian territories, we mean not only the general scientific interpretation of space “as a form of existence of matter, structured nature and extent of material systems,” in which it is proposed, first of all, “to highlight those qualities of real objects that are primarily characterized by the fundamental properties of space, such as its dimensions, length, order, ability to materialize, connectedness, continuity, curvature and form” [22, p. 22]. The perception of space through the listed set of qualitative characteristics, proposed by V.N. Lazhentsev, reflects, in our opinion, to a greater extent the geographical interpretation of space. If we move from a purely geographical characteristics of the space to the economic geography, the list of qualitative characteristics of the space will inevitably expand by taking into account the existing resources (natural, ore, etc.) and their assessment, climate, environment, etc.

From a socio-economic point of view, the space has both the above qualities and characteristics of the space that is not only geographical and eco-geographical, but also productive and social. The exclusively productive and socio-economic characteristics of the space include the availability of production, infrastructure and social facilities that are necessary and sufficient to ensure the employment of working population living there, establish full-fledged market relations and regional market of goods. It is necessary to have well established and developing production and economic ties within the space system both with adjacent and higher level systems [10, 16, 22, 24].

We see our objective not so much in drawing attention to the necessity of a civilized socio-economic development of the Russian space according to the example and standards of developed countries of the world community, as in using the capacity of the Russian space to be an additional source of social progress and sustainable development. But, to this end, it is necessary to join the efforts of authorities at all levels, and businesses, and the entire Russian people. The proposed national plan of socio-economic and social development of the Russian Federation, in which one of the federal programs could be devoted to the spatial development, may become an impetus to the spatial development of Russian territories. It is necessary to revive the practice of elaborating schemes for arrangement and development of productive forces in the Russian space by taking into account the needs of federal development and scientific, productive, educational and human resource capabilities of the regions. As a priority area, we consider the program-based development of inter-regional integration and cooperation, including through the establishment of inter-cluster associations, innovation centers, technology platforms, production and scientific-educational centers for collective use.

There is also a need to rethink and review the role played by the institution of the Russian President’s plenipotentiary representative in the federal districts. It should be reformatted from a control and oversight body into the authority for implementing the national plan of socio-economic and social development in the regions and municipalities that will, in an optimal way, coordinate their efforts and capabilities across the entire space of the federal district by aligning them with efforts of neighboring regions and municipalities in other federal districts. The forms, mechanisms and institutions used for implementing the proposed powers of plenipotentiary representatives may vary by taking into account the local conditions and priorities of the national plan set for the federal district and its regions (municipalities, businesses, people). But, in our view, the main mission for the

institution of the Russian President's plenipotentiary representative in the federal districts should be the systemic spatial development of Russian territories that takes into account historical, national, cultural, infrastructural, production, resource and social characteristics and traditions of people living in these Russian territories.

Most experts view the spatial development as a qualitative renewal of spatial systems (national, regional, municipal) through the evolution from existing structures to higher quality structures, renewal and optimization of organizational and administrative structures in the Russian space, its target-oriented and controlled social and economic development. The qualitative development of Russian space—ranging from the central, southern, eastern and north to the Arctic territories—should become a priority in implementing the national plan at each level of government.

The mechanisms and institutions for implementing the national plan could be provided through state order contracts for the regions (through the apparatus of plenipotentiary representative in the federal district) for implementing the program or its part in the form of a project (multiple projects) or business project(s), provided that their implementation will involve the regional businesses under the co-investment in the project(s). This could take the form of federal tenders for implementing the programs and individual projects, which imply participation of the regions (individually or jointly), large municipalities with representatives of the local business community, federal districts, public and private corporations capable of performing the tender assignment in time and with high quality.

The key to successful use of the proposed institutions and mechanisms of the spatial development of the Russian Federation should be a serious and systemic improvement in the quality of public administration at all levels of the power vertical. High professionalism of each specialist engaged in the public and municipal service, personal responsibility of such specialist for the results of his/her activities should become a mandatory requirement for all candidates. But since neither the State Duma, nor the Federation Council, nor the Russian government are able to influence these processes, and the parliamentary parties, too, have ceased to reflect and, most importantly, to defend the interests of the majority of Russian people [25, p. 17–19], there are proposals to return to an exclusively territorial representation of lawmakers in a single legislative body of the country. It is proposed to use more actively the capabilities of independent social organizations, scientific and educational communities, and creative unions for establishing public councils under the ministries and the government (federal and regional). These councils should act as the expert community for adopting the decisions on establishing (liquidating, merging, cutting down) the ministries and agencies with a clearly defined goals of operation and final results (development of the new technological mode, increased production, cost savings, etc.), their staffing in accordance with professional and business criteria to address specific and socially important federal sectoral (typological) or spacious issues for systemically sustainable spatial development of Russia.

It is hard to disagree with the assessment of Herman Gref, who in his opening remarks at the St. Petersburg Economic Forum (June 2015) said: “The only difference that distinguishes successful states from unsuccessful is the quality of their state apparatus and its management ... We know the facts, when the states had all kinds of resources and yet remained poor for centuries. We also know the states that had no resources and still, within a short historical period, reached the heights in terms of per capita income” [23, p. 17]. When asked by one of the participants in the discussion, whether the problem of efficiency of public administration is central to the Russian Federation, the majority of participants said yes. In our opinion, this fact can be regarded as a public acknowledgment of the above proposal that the socio-economic and social reform of the Russian Federation should begin with the head, i.e. its top authorities, and involve in a qualitative renewal the entire vertical of power of the Russian state, including its lowest level in the settlements administrations and all Russian people.

Some conclusions for discussion

1. To bring the socio-economic and social development of the Russian Federation on a trajectory of steady sustainable development, it is proposed, first, to define the vision of future society, towards which the majority of Russian people is ready to strive; second, to publicly formalize the image of such future society in the form of economic policy of the state and society, which should stipulate the stages, sequence, driving forces and sources for its implementation, government authorities and the specific officials responsible for its consistent and systemic implementation at the federal, regional and municipal levels; third, the real institution for implementing the economic policy should be a

national plan of priority (10–15 priorities) socio-economic and social development of the Russian Federation for a long-term perspective (up to 15 years) with a five-year and annual breakdown to allow the adjustments stipulated by internal and external causes and circumstances, while preserving its continuity and consistency; fourth, the regions and municipalities can and should join the national plan by implementing its priority programs (national, federal, spatial). Such joining may be carried out by the regions and municipalities, individually or collectively (preferably, within the federal district) on a competitive basis or through state order contracts for the implementation of a specific program or project(s).

2. In our opinion, a special priority should be recognized for two federal programs.

The first is a federal program to reform the state apparatus at all levels in order to:

- Optimize the state apparatus and substantially cut costs of its support and operation;
- Raise the quality of public administration by improving professional training of managers working in the government bodies and their personal responsibility for real results of their work;
- Actively involve the public (by relying on public opinion) in discussion and appointment of candidates for responsible state (municipal) positions. It is necessary to restore the constitutional right of all people to full-fledged elections of lawmakers, governors and mayors. The State Duma and the Federation Council must participate in the discussion of candidates to the government and especially the candidates for heading the government.

The second is the federal program of spatial development of the territories of the Russian Federation that takes into account the national, social, cultural, infrastructural, production, resource-related and other socially important needs of the people living in these territories. Today, it is extremely necessary to create, under the leadership of federal authorities, the most comfortable and civilized conditions for labor (production, business, creative) activities of all Russian people, and not only for those living in the central regions. To this end, it is necessary, first of all, to revive elaboration and implementation of schemes for arrangement and development of productive forces that can ensure systemic development of the Russian space across the country in accordance with the international standards and preferences of their residents; second, it is necessary to review and optimize the inter-budget relations between the federation and regions, regions and municipalities so that no less than 50 % of taxes collected in the territories of regions remain in the consolidated budget of the region to maintain the sustainability of investment policy in implementing the national plan and capabilities for further development of the public private partnership in the regional space; third, at least 15 % of taxes collected in the territories of the municipality should remain in its budget to finance, primarily, the social budget items and the spatial development of the territory. There is a certain logic in the proposals to expand the powers of regions and municipalities in terms of target use of land and forest resources through their temporary lease with a mandatory restoration, creation of cooperative societies, etc.

3. It has been recognized as expedient to use more actively the institutions and mechanisms that can, on the one hand, better engage and consistently realize the potential of market economic system provided in the consistent increase of value added with a total reduction of costs (labor and resources) for the production of GDP, support and operation of the state apparatus, elimination of excessive wastefulness and corruption in the implementation of national (regional, municipal) programs and projects and, on the other hand, to seamlessly combine the effective market institutions with the capabilities offered by planned implementation of priority national programs and projects at the regional and municipal levels by establishing the grounds for a mixed model of spatial development of the Russian Federation.

A specific and fundamental solution is required for the problem of self-development of regional and municipal socio-economic systems as the institutions of market economic system and systemic development. This will require not only the appropriate macroeconomic environment and a willingness of regions and municipalities to master the institution of self-sufficiency and self-development, but also the political will of the top leaders of the Russian Federation to allow the decentralization and empowerment of lower-level authorities in order to master the institution of self-development in a more systemic way and based on the market principles. In line with this solution, there is a need to reconfigure the areas of activities and optimize the powers of apparatus of the plenipotentiary representatives of the Russian President in the federal districts. There is every reason to use this institution as an authority for organizing and implementing the national plan in a systemic way in the territories of the federal district by developing the processes of inter-regional cooperation of

regions and municipalities, promoting the initiative and enterprise spirit of all market actors in the spatial field of the federal district. The core of activities led by the entire apparatus of plenipotentiary representative should be not the oversight and control over the execution of directives, but a tangible assistance and support in the implementation of the national plan (programs, projects) within the federal district.

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